



Kenneth A. Gibson

MAYOR

NEWARK, NEW JERSEY

07105

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Mayor Kenneth A. Gibson and Representative Peter Rodino D-10th Dist., today announced the successful closing and start of construction for the \$13 million rehabilitation of 1060 Broad Street, a conversion of the abandoned 8-story Industrial Office Building into 451 residential units for senior citizens.

The project, recently visited by H.U.D. Secretary Carla Hills, of the U.S. Department of Housing and Urban Development, and Secretary William Coleman of the Department of Transportation, has attracted national attention as the largest and most exciting residential rehabilitation conversion venture in the United States. The project, being undertaken by a private developer, also represents the largest infusion of private monies for residential development that Newark has witnessed in over a decade.

Mayor Gibson, delighted at the successful closing of the project, stated: "The \$13 million restoration of this once magnificent edifice, now standing as an abandoned, vandalized shell in the very heart of Newark, will now be revitalized as the nationally acclaimed hallmark of Newark's most determined renaissance and renewed vitality."

Mayor Gibson, recently elected as President of the U.S. Conference of Mayors, continued: "The inner cities of this nation will most assuredly have a comeback and the location of the nation's largest rehabilitation venture in the very heart of our

city offers exciting and incontrovertible confirmation of Newark's role as a leader in the urban restoration movement."

Mayor Gibson and Congressman Rodino went on to comment collectively "We would like to extend our highest recognition and appreciation to the New Jersey Department of Community Affairs Commissioner Patricia Sheehan and H.U.D. Regional Administrator William Green , for their indispensable assistance in this venture. The HUD Section 8 rent subsidy from the New Jersey Housing Finance Agency and the \$13 million mortgage insurance and secondary mortgage from H.U.D. and the Government National Mortgage Association were absolutely critical to both the operational and construction feasibility of this project. The City Council also provided timely assistance by favorably adopting a tax abatement agreement which enhanced feasibility."

Mayor Gibson went on to state that: "Perhaps the most encouraging feature of this development is the fact that a consortium of Newark-based banks, under the leadership of Robert Ferguson, President of First National State Bank, has arranged a \$12 million construction loan to the project developer, Louis Engel & Company of New York." Howard Savings & Loan Association are also to be commended for participating in the vital investment in Newark's future." (See attached release from First National State Bank)

The \$13 million rehabilitation of 1060 Broad Street by a private developer with financing assistance by a consortium of Newark based banks, represents Newark's largest private residential investment in over a decade."